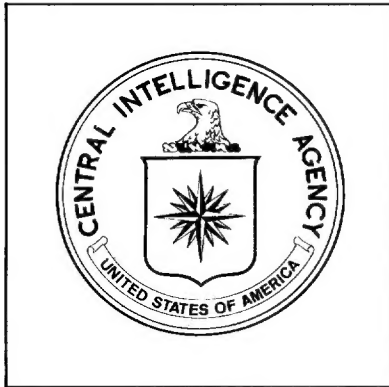


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MIDDLE EAST – AFRICA – SOUTH ASIA

This publication is prepared for regional specialists in the Washington community by the Middle East - Africa Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Lebanon

A New Army Program

Prime Minister Rashid Karami has advanced proposals that would double the size of Lebanon's 17,000-man army, increase Muslim representation in the officer corps, limit Christian domination of defense policy, and reduce the strength of the country's several private militias.

These proposals will meet stiff opposition from some Christian groups in parliament, but if implemented would reduce the continuing religious and political tension among Lebanese. This, in turn, would reduce the likelihood that Lebanese Muslims would join with the Palestinian fedayeen in any future clash between the commandos and the Lebanese army.

The government, for domestic political gain, would cite these changes as evidence that it was taking steps to protect Lebanese territory against Israeli incursions. In fact, they would not strengthen the army to the point that it would be any more eager to stand up to either the Israelis or the Syrians.

Karami's program provides for compulsory military service for all males at age 18. In addition to bolstering the understrength army, this would restore religious balance at the lowest ranks--where Muslim volunteers now outnumber Christians--and pull manpower away from the private militias.

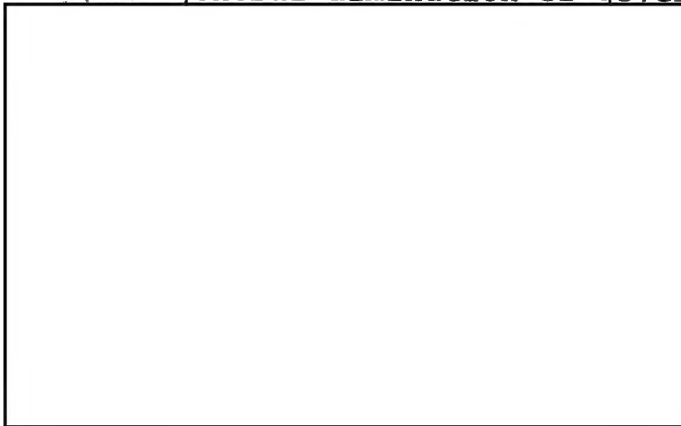
Interior Minister Shamun, the most powerful Christian in the government, has gone further than Karami and proposed that private militia training camps be shut down. He reportedly has already closed one belonging to his own National Liberal Party. Many other important political leaders--Christian, Muslim and Druze--have less of an independent power base than Shamun, and are therefore not likely to follow his lead or to provide more than rhetorical support for his proposal.

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The provision of Karami's program most likely to be implemented would involve reduction of the authority of the powerful army commander, who by custom is always a Maronite Christian. Some of the commander's prerogatives would be assumed by a 7-man command council made up of representatives of the country's major religious groups.

President Franjiyah, a conservative Christian, met with top commanders last week to discuss such a reorganization. This suggests that Lebanon's Christian leaders may be moving toward recognition that they must sometime give up a portion of their power if they are to strengthen the army and check the general diminution of government authority.



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Jordan-Syria

*Some Jordanians Nervous About
Rapprochement with Syria*

The growing improvement in Jordanian-Syrian relations has been favorably received by most Jordanians. Both East Jordanians and Palestinians alike reportedly see many benefits accruing from the relaxation of travel and trade restrictions and the opening of new commercial markets.

Some elements of Jordanian society, however, especially the army, have exhibited varying degrees of caution and skepticism over the new relationship with Jordan's northern neighbor. The army is reportedly fearful that one consequence of the rapprochement will be the return to Jordan of the fedayeen in some form. Almost without exception, the military is opposed to any fedayeen presence, no matter how controlled that presence might be.

A large number of Jordanians, especially the East Bankers, are said to fear that in any close relationship with Syria, Jordan will be dominated by her larger, more powerful partner. Some civilians reportedly do not understand how an economic, industrial, and commercial union can exist between a basically socialist republic and an essentially capitalist monarchy.

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Iran

A Summation

The US embassy's economic and financial officer in Tehran, has provided a comprehensive end-of-tour assessment. His economic prognosis for Iran, is cautiously optimistic especially when set next to the gloomy prospects for most of the developing countries. He is less sanguine about political developments. He believes the Shah's refusal to liberalize the authoritarian political system during a time of rapid economic modernization increases the prospect that political change, when it comes, will be revolutionary rather than evolutionary.

The Positive Side

According to the diplomat's assessment, Iran's economic and political policies during the past two years have been almost without exception successful. Iran is firmly committed to a mixed economy, has a rational development plan, and has few ideological hangups.

The economy is booming. A per capita gross national product of nearly \$1,800 has thrust Iran into the ranks of the richest developing countries. Although there is still a serious income distribution imbalance--one fifth of the population receives 50-60 percent of total income--the US official believes that both the urban and rural poor perceive their lot as improving. Plans to reform the corporate and income tax system and to broaden worker ownership of industry are aimed at reducing the income gap, although the government's ability to implement the programs is questioned.

The reporting office projects an eventual middle power status for Iran. It should catch up to southern Europe in living standards by the end of the century, and could surpass all but the wealthiest European countries in GNP.

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The Problems

In addition to being hampered by inflation, a severe shortage of skilled manpower, and inadequate infrastructure, Iran's development program is running well behind schedule in the crucial areas of steel, petrochemicals, and agriculture.

Perhaps the greatest failure has been in agriculture. Production barely keeps pace with population growth and falls well behind demand. Demand is estimated to increase by 8-10 percent annually, but production cannot be expanded rapidly and is expected to increase by only about 4 percent. The food import bill has been driven up to a worrisome level.

Iran's economic outlook appears brighter to the US official than does its political future. The basic problem he sees is that the leadership is sponsoring modernization in almost every social and economic area, while maintaining an autocratic political system. It is unrealistic, in his view, to expect that Iran can be changed in only a few decades from a poor peasant society into an affluent, modern nation without undergoing political upheaval.

The Shah is gambling that continued improvement in living conditions will take the steam out of demands for political liberalization. At the same time, he has pointedly, and narrowly, drawn the boundaries of acceptable political activity through his creation, by decree, of a single political party.

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USSR-Angola*The Popular Movement's Sugar Daddy*

Moscow is pursuing a policy of uncompromising support for the Popular Movement for the Liberation of Angola. It is not only training Popular Movement troops, but more important, is delivering military equipment. These deliveries do not cost the Soviets much, but they have considerable impact on troubled Angola. Moscow has sharply increased shipments during the past year, almost certainly because it calculated that the revolution in Portugal would foster a change in the status quo in Angola, which the Soviets wanted to be in a position to exploit.

4 Even before the increased shipments began, the Popular Movement had amassed an impressive array of Soviet equipment. The Movement's arsenal was well stocked with a variety of small arms, including machine guns and grenade launchers, and some heavier items, such as 82-mm. mortars, B-10 82-mm. recoilless rifles, and 122-mm. rockets.

The new deliveries have continued the flow of some of this equipment and have added several other types of materiel, including armored cars, trucks, tracked armored anti-aircraft vehicles, armored personnel carriers, RPG-7 anti-tank launchers, anti-tank wire-guided missiles, and rocket launchers. With the receipt of this materiel, the Popular Movement is far and away the best equipped of the contending groups in Angola.

The Soviets have used various routes for getting supplies to the Popular Movement. During the insurgency against the Portuguese, Soviet equipment was unloaded at the Tanzanian port of Dar es Salaam, and from there it was transported overland through Zambia. The Soviets are still making some use of Dar es Salaam, but equipment is now moved into Angola via aircraft and third country vessels, as well as overland transport.

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The primary route over the past year, however, has been via Congo. Equipment unloaded at Pointe Noire is flown from Brazzaville into Angola, or shipped down the coast in two converted landing craft used by the Popular Movement. These landing craft do not need a deep-water port, and are thus able to deliver cargo to prearranged secluded rendezvous points along the Angola coast. On occasion, arms-bearing ships have unloaded into the landing craft or fishing boats while at sea. An East German ship and a Yugoslav ship have each unloaded military equipment in Luanda harbor itself.

Moscow conducts training programs for the Popular Movement both within the USSR and in Congo. Thousands of Popular Movement troops have received training in the USSR since the early 1960s; hundreds of trainees are now in the Soviet Union. A few members of the Movement have been sent to East Germany to be trained in intelligence and security subjects. It is no surprise that Popular Movement troops are better organized and better led than those of its major rival, the National Front.

There have been reports of Soviet military advisers and Congolese troops in Angola assisting the Popular Movement, but these reports are sketchy and unconfirmed. What seems more likely is that the Soviets have asked Cuba to help out with advisers and technicians. Indeed, eight Cubans arrived in Luanda on August 3. Officials of the Ministry of Information, which is controlled by the Popular Movement, have tried to pass them off as tourists.

The Soviets are probably using the Portuguese Communists as the channel for getting political advice and guidance to the Popular Movement. As far as we know, there are no Soviet officials in Luanda or Angola. Moreover, the ties between the Popular Movement and the Portuguese Communists are close. The Popular Movement was originally an offshoot of the Portuguese Communist Party.

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Agostinho Neto, the Popular Movement's leader, is an old acquaintance of Cunhal and seems to share his outlook on Marxism and Moscow.

The Soviets probably see Neto as the kind of liberation movement leader they prefer to work with. Their relative generosity to the Popular Movement may be intended to exemplify the rewards which await those who associate themselves with Moscow. Over the longer term, the Soviets may hope that with an amenable government in Luanda, they will be able to exert a major influence on events in southern Africa and to limit Chinese advances in the region.

4 The Soviets presumably have not lost sight of the strategic or economic opportunities that might flow from an Angola under the control of Neto's Popular Movement. But it is hard to see how much, if anything, Moscow would actually gain from bases in Angola. With the opening of the Suez Canal the south Atlantic seafaring lanes are even less important to the Soviet navy than they have been. Bases in Angola could not add significantly to any current Soviet military activity, and Angola would be strategically important to Moscow only if the Soviets contemplated a major new increase of their activities in the south Atlantic. This seems highly unlikely.

The Soviets themselves have no need for Angolan or Cabindan resources, but they might want to use Cabindan oil to supply some of their East European clients. The Soviets may also want to hinder Western access to the minerals in the area.

The Soviets probably do not expect any immediate return on their investment. While their arms and equipment have helped the Popular Movement to assert control over Luanda, Cabinda, and some other areas, they have not--and probably cannot--overcome the Popular Movement's inherent weaknesses. The Popular Movement's essentially urban character, its relatively limited personnel resources, and

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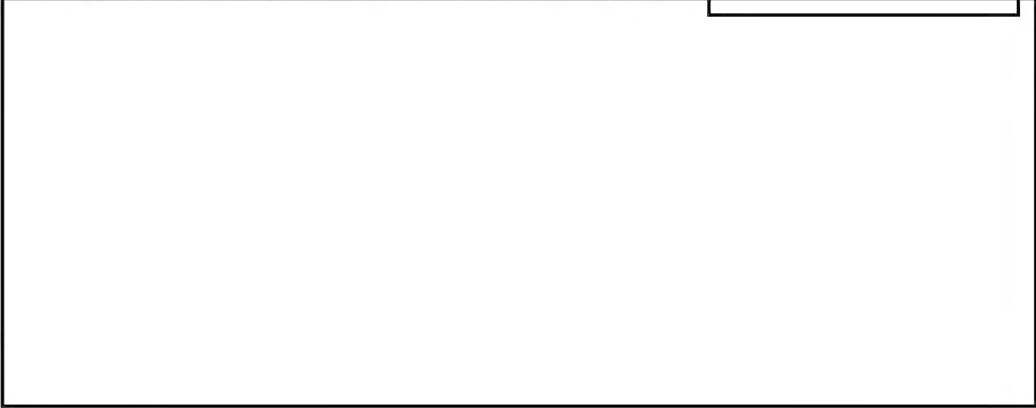
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Neto's doctrinaire and unappealing personality make significant inroads into the countryside strongholds of the National Front or National Union unlikely, no matter how much equipment the Soviets send.

On the other hand, neither of the other two groups (or both in concert for that matter) appears able to defeat the Popular Movement decisively on its territory. Since there is no support whatsoever for a partition agreement, a protracted war of attrition seems in the offing, and Moscow wants to make sure the Popular Movement is well provisioned for the ordeal.



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East Africa

Restructuring of Regional Community Likely

1 Cabinet delegations from Kenya, Uganda, and Tanzania--the members of the East African Community (EAC)--began meeting in Nairobi on August 20. The ministers expect to set up a commission to review the Treaty for East African Cooperation of 1967. Although presidents Kenyatta, Nyerere, and Amin are often at loggerheads, the tripartite community seems likely to survive the treaty review process--but with the scope of joint economic functions substantially reduced.

2 Earlier this month, a high ranking Kenyan official openly predicted that the community's railways, harbors, and post-telecommunications corporations would be eliminated as a result of the review. Agreement on how the three corporations are to be split into national organizations will not come easily, however; each has a large debt to foreign lenders.

3 Differences among the three countries on how the corporations--especially the one administering railways--were to function have been a continual source of friction and have frequently resulted in interruption of services. By reducing the occasion for such squabbles, the breakup of the corporations may actually improve prospects for cooperation among the three East African countries.

2 There is a good chance that the corporation that runs the East African Airways will survive a revision of the community treaty, and that the present customs union also will be retained. The less controversial jointly funded statistical and scientific services are also likely to survive.



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